

October 28, 2009

WASHINGTON, DC - Today, U.S. Rep. Michael Arcuri (NY-24) and U.S. Rep. Patrick Murphy (PA-8) renewed their call for the passage of legislation that would cut the fraud, waste and abuse in the Medicare system that results in higher health care costs.

Arcuri and Murphy joined their Senate colleague U.S. Senator Amy Klobuchar (D-MN) in July of 2009 to introduce the Improving Medicare and Medicaid Policy for Reimbursements through Oversight and Efficiency Act (IMPROVE Act), to protect taxpayer dollars by requiring that Medicare and Medicaid reimburse providers and suppliers via electronic deposit at an FDIC-approved bank or credit union.

Under the current reimbursement system, criminals are able to siphon billions from the Medicare and Medicaid programs by cashing reimbursement checks for fraudulent services at check cashing stores. These stores, which rarely check IDs, verify Social Security numbers, or make other efforts to ensure the legitimacy of a transaction, both fail to prevent fraudulent billing and make it difficult to track down the perpetrators after payment has gone out.

Medicare fraud drains \$60 billion in taxpayer money every year. Improved personal verification and identification requirements at FDIC-approved banks and credit unions will make it harder for scammers to commit fraud and disappear without a trace. The IMPROVE Act closes this check-cashing laundering loophole. The legislation has been endorsed by the AARP and the National District Attorneys Association.

"We need to ensure that the Medicare and Medicaid systems are safe and secure for those that need it," **Arcuri said**, "Far too often we hear stories about fraudulent schemes in stealing Medicare and Medicaid dollars from the federal government for personal gain. The IMPROVE Act ensures that the loopholes that these fraud artists use to gain access to personal information and Medicare and Medicaid checks are closed to keep the system and its beneficiaries protected."

"It's simply unacceptable that hardworking taxpayers lose nearly \$80 billion to Medicare fraud

and abuse every year, and the IMPROVE Act will help ensure these deceitful practices stop," **Murphy said,**

"Closing this loophole will help crack down on the crimes that threaten the financial integrity of Medicare and endanger vulnerable seniors' access to health care coverage."

"America's 39,000 prosecutors need this legislation," **said Scott Burns, Executive Director of the National District Attorney's Associate**

. "The IMPROVE Act is an important tool in the fight to crack down on fraud and recover taxpayer dollars."

On Sunday, October 25th, 2009, the CBS newsmagazine "60 Minutes" ran a story on the high number of fraud cases throughout the country that defraud the Medicare and Medicaid system of hundreds of millions of dollars. The Albany Times Union ran a story on Sunday, October 25th

, 2009 about a federal investigation into possible Medicaid fraud at the New York State Health Department and the Research Foundation at the State University of New York.

###